

116TH CONGRESS  
2D SESSION

# S. 3181

To amend the Internal Revenue Code of 1986 to expand the new markets tax credit to assist Native American communities, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 9, 2020

Ms. MURKOWSKI (for herself, Mr. SCHATZ, Ms. HIRONO, and Mr. SULLIVAN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to expand the new markets tax credit to assist Native American communities, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-  
2 tives of the United States of America in Congress assembled,*

**3 SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Inspiring Nationally  
5 Vibrant Economies Sustaining Tribes Act of 2020” or the  
6 “INVEST Act”.

1     **SEC. 2. EXPANSION OF NEW MARKETS TAX CREDIT.**

2         (a) LOW-INCOME COMMUNITY.—Paragraph (1) of  
3     section 45D(e) of the Internal Revenue Code of 1986 is  
4     amended to read as follows:

5             “(1) DEFINITION.—

6                 “(A) IN GENERAL.—The term ‘low-income  
7     community’ means—

8                     “(i) any population census tract if—

9                         “(I) the poverty rate for such  
10     tract is at least 20 percent, or

11                         “(II)(aa) in the case of a tract  
12     not located within a metropolitan  
13     area, the median family income for  
14     such tract does not exceed 80 percent  
15     of statewide median family income, or

16                         “(bb) in the case of a tract lo-  
17     cated within a metropolitan area, the  
18     median family income for such tract  
19     does not exceed 80 percent of the  
20     greater of statewide median family in-  
21     come or the metropolitan area median  
22     family income,

23                         “(ii) any trust land (as defined at sec-  
24     tion 3765 of title 38, United States Code),

25                         “(iii) any land within a township that  
26     encloses all or part of a Native village (as

1                   defined in section 3(c) of the Alaska Na-  
2                   tive Claims Settlement Act (43 U.S.C.  
3                   1602(c)), or

4                   “(iv) any land that is part or all of a  
5                   Tribal designated statistical area associ-  
6                   ated with an Indian tribe as defined by the  
7                   Census Bureau for the purposes of the  
8                   most recent decennial census.

9                   “(B) MEDIAN FAMILY INCOME.—Subclause  
10                  (II) of subparagraph (A)(i) shall be applied  
11                  using possessionwide median family income in  
12                  the case of census tracts located within a pos-  
13                  session of the United States.”.

14                 (b) ALLOCATION OF NATIONAL LIMITATION.—

15                 (1) IN GENERAL.—Section 45D(f)(2) of the In-  
16                 ternal Revenue Code of 1986 is amended by striking  
17                 “shall give priority to” and all that follows and in-  
18                 serting “shall—

19                 “(A) give priority to any entity—  
20                   “(i) with a record of having success-  
21                   fully provided capital or technical assist-  
22                   ance to disadvantaged businesses or com-  
23                   munities or to Indian tribes or Native  
24                   American communities, or

1                         “(ii) which intends to satisfy the re-  
2                         quirement under subsection (b)(1)(B) by  
3                         making qualified low-income community in-  
4                         vestments in 1 or more businesses in which  
5                         persons unrelated to such entity (within  
6                         the meaning of section 267(b) or  
7                         707(b)(1)) hold the majority equity inter-  
8                         est, and

9                         “(B) ensure that not less than 10 percent  
10                         of such limitation is allocated to qualified In-  
11                         dian community development entities for invest-  
12                         ments that primarily serve low-income commu-  
13                         nities described in clauses (ii), (iii), and (iv) of  
14                         subsection (e)(1)(A).”.

15                         (2) QUALIFIED INDIAN COMMUNITY DEVELOP-  
16                         MENT ENTITY.—Section 45D(f) of such Code is  
17                         amended by adding at the end the following new  
18                         paragraph:

19                         “(4) QUALIFIED INDIAN COMMUNITY DEVELOP-  
20                         MENT ENTITY.—For purposes of paragraph (2)(B),  
21                         the term ‘qualified Indian community development  
22                         entity’ means any qualified community development  
23                         entity which is—

24                         “(A) at least 51 percent owned and con-  
25                         trolled by an Indian tribe (as defined in section

1           4(e) of the Indian Self-Determination and Edu-  
2           cation Assistance Act (25 U.S.C. 5304(e)), or  
3           “(B) a Native community development fi-  
4           nancial institution (as defined in section 103 of  
5           the Community Development Banking and Fi-  
6           nancial Institutions Act of 1994 (12 U.S.C.  
7           4702)).”.

8           (c) EFFECTIVE DATE.—The amendments made by  
9           this section shall apply to calendar years beginning after  
10 December 31, 2020.

11 **SEC. 3. NATIVE COMMUNITY DEVELOPMENT FINANCIAL IN-**  
12 **STITUTIONS.**

13           (a) DEFINITION OF A NATIVE COMMUNITY DEVEL-  
14 OPMENT FINANCIAL INSTITUTION.—Section 103 of the  
15 Community Development Banking and Financial Institu-  
16 tions Act of 1994 (12 U.S.C. 4702) is amended—

17           (1) by redesignating paragraphs (18) through  
18 (21) as paragraphs (19) through (22), respectively;  
19           and

20           (2) by inserting after paragraph (17) the fol-  
21 lowing:

22           “(18) NATIVE COMMUNITY DEVELOPMENT FI-  
23 NANCIAL INSTITUTION.—

24           “(A) IN GENERAL.—The term ‘Native  
25 community development financial institution’

1 means a community development financial insti-  
2 tution—

3 “(i) the activities of which not less  
4 than 51 percent serve Native Americans;  
5 or

6 “(ii) that is not less than 51 percent  
7 owned or controlled Native Americans.

8 “(B) NATIVE AMERICANS.—In this para-  
9 graph, the term ‘Native Americans’ has the  
10 meaning given the term in section 3765 of title  
11 38, United States Code.”.

12 (b) ASSISTANCE FOR NATIVE COMMUNITY DEVELOP-  
13 MENT FINANCIAL INSTITUTIONS.—Section 108(a) of the  
14 Community Development Banking and Financial Institu-  
15 tions Act of 1994 (12 U.S.C. 4707(a)) is amended by add-  
16 ing at the end the following:

17 “(5) ASSISTANCE FOR NATIVE COMMUNITY DE-  
18 VELOPMENT FINANCIAL INSTITUTIONS.—The Fund  
19 shall provide financial assistance, technical assist-  
20 ance, and training to build the capacity of Native  
21 community development financial institutions.”.

22 **SEC. 4. TECHNICAL ASSISTANCE PILOT PROGRAM.**

23 (a) IN GENERAL.—The Secretary of the Interior, act-  
24 ing through the Assistant Secretary for Indian Affairs,  
25 shall—

1                         (1) establish a program to provide technical as-  
2                         sistance to qualified Indian community development  
3                         entities (as defined in section 45D of the Internal  
4                         Revenue Code of 1986) with respect to the process  
5                         for applications for allocations of the new markets  
6                         tax credit under section 45D of the Internal Rev-  
7                         enue Code of 1986; and

8                         (2) work with the Director of the Community  
9                         Development Financial Institutions Fund to provide  
10                         assistance to qualified Indian community develop-  
11                         ment entities to improve the competitiveness of ap-  
12                         plications for such allocations.

13                         (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
14                         authorized to be appropriated to the Secretary of the Inte-  
15                         rior to carry out this section \$500,000 for each of fiscal  
16                         years 2021 through 2025.

